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FISCAL IMPACT REPORT

ORIGINAL DATE 2/18/07

SPONSOR Griego LAST UPDATED _____ HB _____

SHORT TITLE Mora Land Grant Wind Energy Study SB 1128

ANALYST Propst

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$100.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)

SUMMARY

Synopsis of Bill

Senate Bill 1128 provides \$100.0 to the Department of Finance and Administration (DFA) to pay for a feasibility study for a wind energy enterprise on the Mora Land Grant.

FISCAL IMPLICATIONS

The appropriation of \$100.0 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the General Fund.

SIGNIFICANT ISSUES

NMNRD reports that the wind power industry is rapidly growing. The feasibility study proposed in SB 1128 could be the first step leading to a wind energy enterprise on the Mora Land Grant. If such an enterprise were to be developed, positive regional effects could be seen in jobs, cash flow for land leases, and renewable energy.

EMNRD, Energy Conservation and Management Division (ECMD) have provided studies potential economic benefits of wind power in Eddy, Otero, Lea and Colfax Counties. It also has products on wind power plant site screening and guidelines for wind power developers and investors available which could be useful for the study. New Mexico has 497 megawatts of wind power capacity at 5 wind power plants. These plants result in lease payments to landowners and create jobs. EMNRD could assist DFA in developing a request for proposals for the contract for the feasibility study.

TECHNICAL ISSUES

EMNRD notes that it may be difficult to complete the study within the one year provided as similar studies have taken at least two years.

WEP/nt